

LFD Budget Analysis: DPHHS Disability Employment & Transitions

Disability Employment & Transitions Major Budget Highlights

The executive proposes a total fund biennial increase of 1.5% primarily due to a requested \$1.4 million total increase for personal services and benefits and claims which is offset by decreases in operating expenses and transfers

69010 - Department Of Public Health & Human Services

01-Disability Empl & Transitions

Program Biennium Comparison

The following table compares the 2021 biennium appropriated budget and the 2023 biennium budget request by type of expenditure and source of funding.

Program Biennium Comparison				
Budget Item	Appropriated Budget 20-21	Requested Budget 22-23	Biennium Change	Biennium % Change
Personal Services	18,252,701	19,052,490	799,789	4.38 %
Operating Expenses	10,075,195	9,927,376	(147,819)	(1.47)%
Benefits & Claims	29,819,475	30,404,000	584,525	1.96 %
Transfers	391,000	50,000	(341,000)	(87.21)%
Debt Service	17,676	0	(17,676)	(100.00)%
Total Expenditures	\$58,556,047	\$59,433,866	\$877,819	1.50 %
General Fund	12,005,347	12,156,047	150,700	1.26 %
State/Other Special Rev. Funds	2,630,334	2,699,187	68,853	2.62 %
Federal Spec. Rev. Funds	43,920,366	44,578,632	658,266	1.50 %
Total Funds	\$58,556,047	\$59,433,866	\$877,819	1.50 %
Total Ongoing	\$58,556,047	\$59,433,866	\$877,819	1.50 %
Total OTO	\$0	\$0	\$0	0.00 %

Det expended 66.5% of the total FY 2020 appropriation

- Unexpended general fund and federal funds totaled 24.6% and 37.8% respectively
- Most of the unexpended general fund in FY 2020 was in the Vocational Rehabilitation program

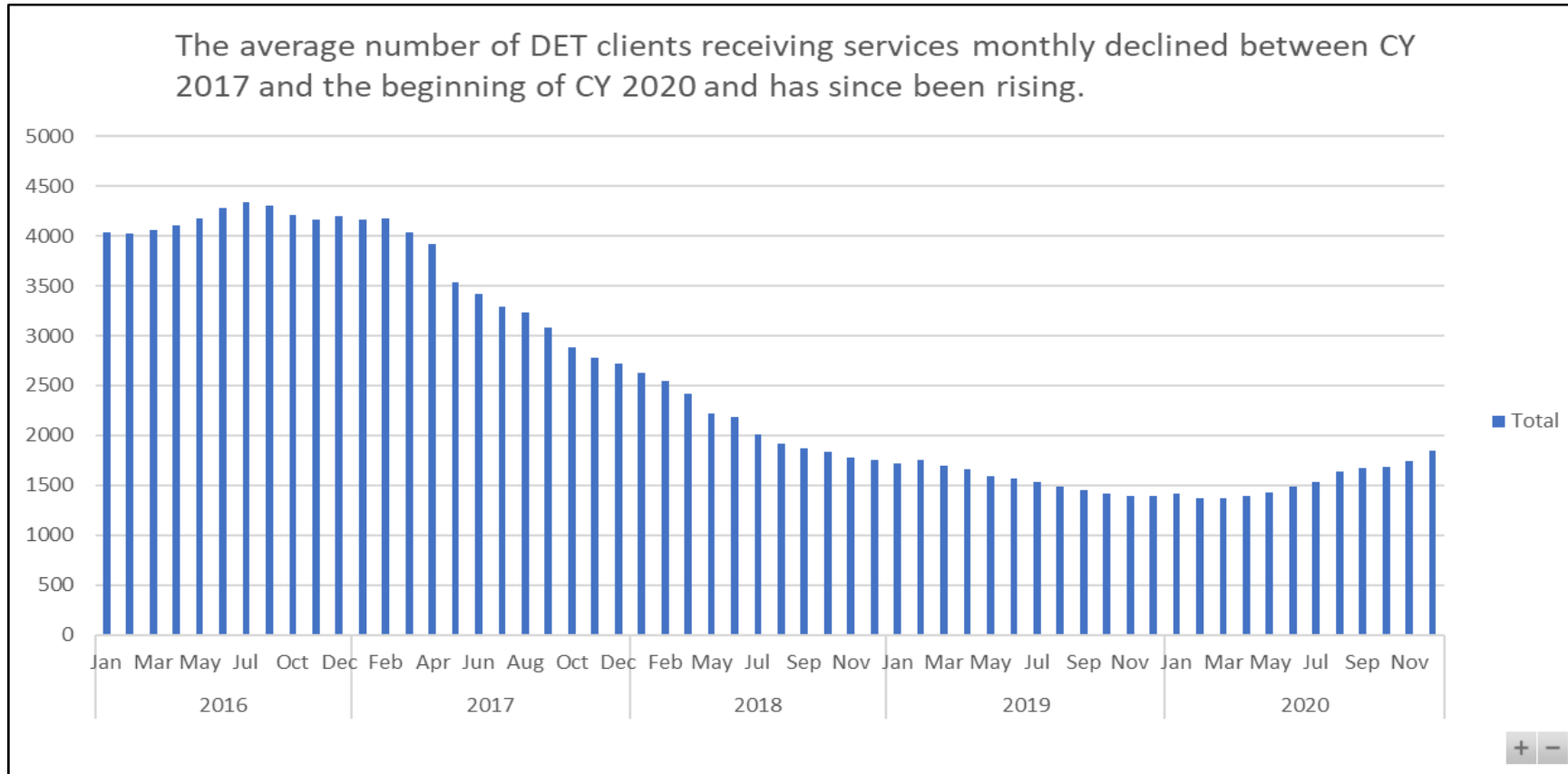
Program Actuals and Budget Comparison

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium budget request by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Request Fiscal 2022	Request Fiscal 2023
FTE	0.00	134.07	134.07	134.07	134.07
Personal Services	7,737,859	8,945,193	9,307,508	9,482,696	9,569,794
Operating Expenses	4,260,586	5,110,111	4,965,084	4,963,368	4,964,008
Benefits & Claims	7,256,342	14,617,475	15,202,000	15,202,000	15,202,000
Transfers	61,010	366,000	25,000	25,000	25,000
Debt Service	2,982	17,676	0	0	0
Total Expenditures	\$19,318,779	\$29,056,455	\$29,499,592	\$29,673,064	\$29,760,802
General Fund	4,457,871	5,911,445	6,093,902	6,042,818	6,113,229
State/Other Special Rev. Funds	1,282,093	1,310,179	1,320,155	1,349,471	1,349,716
Federal Spec. Rev. Funds	13,578,815	21,834,831	22,085,535	22,280,775	22,297,857
Total Funds	\$19,318,779	\$29,056,455	\$29,499,592	\$29,673,064	\$29,760,802
Total Ongoing	\$19,318,779	\$29,056,455	\$29,499,592	\$29,673,064	\$29,760,802
Total OTO	\$0	\$0	\$0	\$0	\$0

According to the agency:
 “25% of the general fund appropriation for the Vocational Rehabilitation program was not expended in SFY2020 due to COVID-19. The program was unable to perform business at the anticipated levels due to school closures, closure of our provider network, and closure of businesses where participants were supported in employment. In addition to the impact on client benefits, all travel, training, and group meetings were cancelled”.

The number of DET clients receiving vocational rehabilitation services has been in decline since prior to the COVID – 19 pandemic.



Legislative Action Items

- The executive request includes a total of \$2.0 million in appropriations from transfers from the Montana Telecommunications Access Program (MTAP) based on transfers made by the 2019 Legislature. This includes a total of \$800,000 for the 2023 biennium at DET. The MTAP program no longer has a fund balance sufficient to support the total amount requested

Funding

The following table shows proposed program funding by source of authority.

Department of Public Health & Human Services, 01-Disability Empl & Transitions							
Funding by Source of Authority							
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	12,156,047	0	0	0	12,156,047	20.45 %	
02159 Handicapped Telecommunications	1,865,544	0	0	0	1,865,544	69.11 %	
02434 02 Indirect Activity Prog 01	33,643	0	0	0	33,643	1.25 %	
02365 MTAP Transfers	800,000	0	0	0	800,000	29.64 %	
State Special Total	\$2,699,187	\$0	\$0	\$0	\$2,699,187	4.54 %	
03234 Promise Grant	0	0	0	0	0	0.00 %	
03588 93.802 - Disabil Deter Adm 100	11,988,785	0	0	0	11,988,785	26.89 %	
03604 84.126 - Rehab-Sec110 A 78.7%	26,336,544	0	0	0	26,336,544	59.08 %	
03365 03 Indirect Activity Prog 01	1,208,065	0	0	0	1,208,065	2.71 %	
03554 84.169 - Independent Living 90	460,758	0	0	0	460,758	1.03 %	
03555 84.177 - Indep Living Old BLIN	439,600	0	0	0	439,600	0.99 %	
03557 84.187 - Vic Sup Employment	398,988	0	0	0	398,988	0.90 %	
03558 84.224 - Mon Tech 100%	852,060	0	0	0	852,060	1.91 %	
03559 84.265 - In Service Training 9	0	0	0	0	0	0.00 %	
03024 Soc Sec - Trust Funds	2,563,832	0	0	0	2,563,832	5.75 %	
03226 VR Supported Empl VI-B Youth	330,000	0	0	0	330,000	0.74 %	
Federal Special Total	\$44,578,632	\$0	\$0	\$0	\$44,578,632	75.01 %	
Proprietary Total	\$0	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$59,433,866	\$0	\$0	\$0	\$59,433,866		

LFD ISSUE

The Montana Telecommunications Access Program (MTAP) is responsible for overseeing the Montana Relay program which allows people who are deaf to use telephone services, and offering assistive equipment and services to Montanans whose disabilities make it hard for them to use the phone.

MTAP revenue is raised by a fee of 10 cents per month assessed on subscriber connections and prepaid wireless telecommunication services per 53-19-311 MCA.

The 2019 Legislature authorized a total of \$3.5 million in transfers from the MTAP program including \$1.5 million in FY 2020 and \$2.0 million in FY 2021. The \$2.0 million in funds that were transferred in FY 2021 has been included in the base budget calculation and is requested for both years of the 2023 biennium. This includes biennial requests of \$800,000 at DET, and \$1.6 million at both Developmental Services Division and Addictive and Mental Disorders Division.

Department of Public Health and Human Services 02159 Montana Telecommunications Access Program									
	FY 2015 Actuals	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Actuals	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Estimated	FY 2022 Requested	FY 2023 Requested
Fund Balance	2,261,227	2,557,997	2,918,744	3,428,764	3,984,276	4,475,040	3,448,411	1,906,647	379,749
Revenue ¹	1,202,276	1,333,735	1,361,681	1,370,772	1,388,332	1,425,135	1,346,988	1,371,107	1,377,336
Disbursements ²	(905,507)	(972,988)	(851,661)	(815,259)	(898,351)	(951,763)	(888,753)	(898,005)	(881,158)
MTAP Transfers ³						(1,500,000)	(2,000,000)	(2,000,000)	(2,000,000)
Remaining Balance	2,557,997	2,918,744	3,428,764	3,984,276	4,474,257	3,448,411	1,906,647	379,749	(1,124,073)
Contingency Appropriation for Relay Services							775,000	775,000	775,000
Ending Fund Balance with Contingency							1,131,647	(1,170,251)	(3,449,073)
1 FY 2021 - FY 2023 Revenues are based on the average annual revenue from FY 2015 - FY 2020									
2 FY 2021 - FY 2023 Disbursements are based on the average annual disbursements from FY 2015 - FY 2020									
3 MTAP transfers in FY 2021 are requested									

MTAP Transfers by Division				
		2022	2023	Biennium
DET	Extended Emp.	400,000	400,000	800,000
DSD	TCM CMHB	800,000	800,000	1,600,000
AMDD	TCM Adults	800,000	800,000	1,600,000
Total		2,000,000	2,000,000	4,000,000

Legislative Options:

1. Increase the fee in 53-19-311, MCA to a level that generates the revenues needed to support the funding request.
2. Authorize alternative funding to support the funding request.
3. Eliminate the transfer and reduce the corresponding authority.
4. Approve the request as submitted, with the understanding that the fund balance is in danger of being overdrawn.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget
2021 Base Budget	6,093,902	6,093,902	12,187,804	100.26 %	29,499,592	29,499,592	58,999,184	99.27 %
SWPL Adjustments	16,186	19,327	35,513	0.29 %	240,742	261,210	501,952	0.84 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	(67,270)	0	(67,270)	(0.55)%	(67,270)	0	(67,270)	(0.11)%
Total Budget	\$6,042,818	\$6,113,229	\$12,156,047		\$29,673,064	\$29,760,802	\$59,433,866	

The "Present Law" Adjustments table shows the changes from the base appropriation to the proposed budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	16,600	29,316	196,542	242,458	0.00	19,586	29,561	213,139	262,286
DP 3 - Inflation Deflation	0.00	(414)	0	(1,302)	(1,716)	0.00	(259)	0	(817)	(1,076)
Grand Total All Present Law Adjustments	0.00	\$16,186	\$29,316	\$195,240	\$240,742	0.00	\$19,327	\$29,561	\$212,322	\$261,210

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

The New Proposals table shows new changes to spending

New Proposals										
	-----Fiscal 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 5555 - Reduce GF Budget for State Share Holiday	0.00	(67,270)	0	0	(67,270)	0.00	0	0	0	0
Total	0.00	(\$67,270)	\$0	\$0	(\$67,270)	0.00	\$0	\$0	\$0	\$0

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).